

The opinion in support of the decision being entered today was not written for publication and is not binding precedent of the Board.

Paper No. 17

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte JOHN W. L. OGILVIE

Appeal No. 2001-2627
Application No. 09/472,658

ON BRIEF

Before FLEMING, RUGGIERO, and BLANKENSHIP, ***Administrative Patent Judges.***

FLEMING, ***Administrative Patent Judge.***

DECISION ON APPEAL

This is a decision on appeal from the final rejection of claims 1 through 23, 25 through 28, 31 through 46 and 50 through 65. Claims 24, 29, 30, 47 through 49 and 66 through 70 have been canceled.

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to allow consumers to set aside for their savings account(s) a specified amount for a specified percentage of a given transaction, when the transaction would otherwise not involve the savings account(s). A portion of the funds charged or received during the transaction will be directed to the consumer's savings account or another savings vehicle. See page 4 of the Appellant's specification.

Independent claim 1 is reproduced as follows:

1. A method of facilitating savings by providing between a consumer and at least one financial institution an infrastructure for incremental savings by the consumer, the method comprising the steps of:

entering an agreement with the consumer under which specified funds will be directed on the consumer's behalf to a specified savings vehicle at the financial institution in response to at least one otherwise unrelated consumer-initiated covered transaction, the financial institution not a party to the agreement;

noting at least one covered transaction, which is a transaction in response to which funds will be directed pursuant to the agreement, the scope of covered transactions pursuant to the agreement being limited according to at least one of the time at which a transaction occurs and the transaction amount; and

directing specified funds on the consumer's behalf to the specified savings vehicle at the financial institution pursuant

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REFERENCES

The references relied on by the Examiner are as follows:

| | | |
|-------------------|-----------|-----------------------|
| Fernandez-Holmann | 5,787,404 | Jul. 28, 1998 |
| Simpson | 6,070,153 | May 30, 2000 |
| | | (filed Nov. 21, 1997) |

REJECTIONS AT ISSUE

Claims 34 through 46 and 50 through 55 stand rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

Claims 43 and 44 stand rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which Applicant regards as the invention.

Claims 1 through 22, 25 through 28, 31 through 46 and 50 through 55 stand rejected under 35 U.S.C. § 103 as being unpatentable over Fernandez-Holmann.

Claims 23 and 56 through 65 stand rejected under 35 U.S.C. § 103 as being unpatentable over Fernandez-Holmann and Simpson.

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Rather than repeat the arguments of Appellant or the Examiner, we make reference to the briefs¹ and the answer for the respective details thereof.

OPINION

With full consideration being given to the subject matter on appeal, the Examiner's rejection and the arguments of Appellant and the Examiner, for the reasons stated *infra*, we reverse the Examiner's rejection of claims 1 through 21 and 56 through 60 and we affirm the Examiner's rejection of claims 22, 23, 25 through 28, 31 through 46, 50 through 55 and 61 through 65.

35 U.S.C. § 101 REJECTION

We now turn to the rejection of claims 34 through 46 and 50 through 55 under 35 U.S.C. § 101 as being directed to non-statutory subject matter. At the outset, we note that the Appellant states on page 6 of the brief that Group I includes claims 34 through 46 and Group II includes claims 50 through 55. We note the Appellant has argued claims 34 through 46 as a single

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Group. See pages 8 and 9 of the brief and pages 3 through 5 of the reply brief. We further note that the Appellant has argued claims 50 through 55 as a single group. See pages 9 through 12 of the brief and pages 5 through 6 of the reply brief.

37 CFR § 1.192 (c)(7) (July 1, 2000) **as amended at** 62 Fed. Reg. 53196 (October 10, 1997), which was controlling at the time of Appellants filing the brief, states:

For each ground of rejection which [A]ppellant contests and which applies to a group of two or more claims, the Board shall select a single claim from the group and shall decide the appeal as to the ground of rejection on the basis of that claim alone unless a statement is included that the claims of the group do not stand or fall together and, in the argument under paragraph (c)(8) of this section, [A]ppellant explains why the claims of the group are believed to be separately patentable. Merely pointing out differences in what the claims cover is not an argument as to why the claims are separately patentable.

We will, thereby, consider the Appellant's claims 34-46 as standing or falling together and we will treat claim 34 as a representative claim of that group and we will consider the Appellant's claims 50-55 as standing or falling together and we will treat claim 50 as a representative claim of that group.

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directed to signals in and of themselves. See pages 7, 9 and 32 through 34 of the answer.

Appellant has responded to this rejection stating that claim 34 is not directed to signals in themselves but instead is directed to covering signals embodied in a computer system. Appellant argues that the claims are directed to signals embodied in a distributed computer system in computer memory or in the network wiring. See page 8 of the brief.

In *In re Lowry*, 32 F.3d 1579, 1583, 32 USPQ2d 1031, 1034-35 (Fed. Cir. 1994), our reviewing court held that a claim setting forth a computer readable medium encoded with a data structure defining structural and functional interrelationship between the data structure and the media which permits the data structure's functionality to be realized is statutory. Furthermore, we note that in *Lowry*, the court noted that Lowry does not seek to patent the data model in the abstract, but seeks to patent a data structure that imposes a physical organization of data that supports specific data manipulation functions. See, *Lowry*,

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signal embodied in a distributed computing system." We agree with the Appellant that the claim is directed to the memory as well as the wiring network of the computer system which provides structural and functional interrelationship for the data signal being claimed. Therefore, just as our reviewing court held in **Lowry**, we find that the claim is directed to statutory subject matter. Therefore, we will not sustain the Examiner's rejection of claims 34 through 46 under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

We now turn to claim 50, representing groups of claims 50 through 55. The Examiner has argued that claim 50 is directed to nothing more than a writing of a contractual agreement and thereby is not statutory subject matter.

Appellant argues that claim 50 is directed to an embodiment of an incremental savings agreement. Appellant argues that claim 50 is directed to a practical application of an abstract idea and should not be denied patent protection merely because the abstraction is a legal idea rather than a scientific idea or a

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The question of whether a claim encompasses statutory subject matter should not focus on which of the four categories of subject matter a claim is directed to . . . but rather on the essential characteristics of the subject matter, in particular, its practical utility.

The Federal court further states in *In re Warmerdam*, 33 F.3d 1354, 1359, 31 USPQ2d 1754, 1759 (Fed. Cir. 1994) states that:

As the Supreme Court has made clear, "[a]n idea of itself is not patentable," *Rubber-Tip Pencil Co. v. Howard*, 20 U.S. (1 Wall.) 498, 507 (1874); taking several abstract ideas and manipulating them together adds nothing to the basic equation.

Thus, the question for us is whether claim 50 is directed to subject matter having practical utility or covers nothing more than an abstract idea.

We note that Appellant's claim 50 recites "[a]n embodiment of an incremental savings agreement comprising a parties component and an incremental savings authorization source component and defining covered transaction" We agree with the Appellant that the claim is directed to a legal idea. However, we fail to find that the claim is directed to subject matter which has a practical utility but instead is just simply

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35 U.S.C. § 112, SECOND PARAGRAPH, REJECTION

Claims 43 and 44 stand rejected under 35 U.S.C. § 112, second paragraph, as being indefinite. The Examiner argues that claims 43 and 44 respectfully are directed towards loan accounts and mortgage accounts as savings vehicles. The Examiner argues that loan and mortgage accounts are not recognized in the financial community to be savings vehicles. See pages 35 through 37 of the answer.

Appellant argues that the specification provides a special definition of the term "savings vehicle," which expressly permits loan and mortgage accounts to be viewed as savings vehicles. Appellant argues that the present specification definition of "savings vehicles" must be used, not the Examiner's definition. See page 12 of Appellant's brief.

Analysis of 35 U.S.C. § 112, second paragraph, should begin with the determination of whether claims set out and circumscribe the particular area with a reasonable degree of precision and particularity; it is here where definiteness of the language must

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1235, 169 USPQ 236, 238 (1971). Although an inventor is indeed free to define the specific terms used to describe his or her invention, this must be done with reasonable clarity, deliberateness, and precision. ***In re Paulsen***, 30 F.3d 1475, 1479, 31 USPQ2d 1671, 1674 (Fed. Cir. 1994).

Upon our review of Appellant's specification, we find that the specification does indeed have a special definition for the term "savings vehicle." In particular, on page 5 of the specification, the term "savings vehicle" is defined to include loans. Therefore, loan and mortgage accounts as claimed, are within the defined special definition of "savings vehicle." Because Appellant is allowed to be his own lexicographer, we find that it is proper to include loan and mortgage accounts as being "savings vehicles" as claimed. Therefore, we will not sustain the Examiner's rejection of claims 43 and 44 under 35 U.S.C. § 112, second paragraph.

35 U.S.C. § 103 REJECTIONS

Claims 1 through 22, 25 through 28, 31 through 46 and 50

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At the outset, Appellant has grouped the rejections into three groups. The groups are as follows: Group I is claims 1 through 21 and 50 through 60. Group II is claims 22, 23, 25 through 28 and 31 through 33. Group III is claims 34 through 46 and 61 through 65. See page 6 of the brief. Furthermore, we note that Appellant has argued these claims according to these groups. See pages 13 through 16 of the brief and pages 7 through 13 of the reply brief.

Turning to group I, Appellant argues that Fernandez-Holmann fails to teach which transactions are screened according to the time of occurrence and/or their amount in order to identify transactions for which funds are directed to a savings vehicle. See pages 7 and 8 of the reply brief. We note that independent claim 1 as well as dependent claims 2 through 21, recite "noting at least one covered transaction, which is a transaction in response to which funds will be directed pursuant to the agreement, the scope of covered transactions pursuant to the agreement being limited according to at least **one of the time[s]**

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least **one of the time[s] at which a transaction occurs** and **the transaction amount.**" Emphasis added. Finally, we note that independent claim 56 and dependent claims 57 through 60 recite "a determining means for determining that a consumer-initiated transaction is a covered transaction pursuant to a savings agreement with the consumer under which specified funds will be directed on the consumer's behalf to a specified savings vehicle at a second financial institution, covered transactions pursuant to the agreement being determined according to **at least one of the time[s] at which a transaction occurs** and **the transaction amount.**" Emphasis added.

In rejecting claims under 35 U.S.C. § 103, the Examiner bears the initial burden of establishing a ***prima facie*** case of obviousness. ***In re Oetiker***, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992). See also ***In re Piasecki***, 745 F.2d 1468, 1472, 223 USPQ 785, 788 (Fed. Cir. 1984). The Examiner can satisfy this burden by showing that some objective teaching in the prior art or knowledge generally available to one of ordinary

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forward with evidence or argument shift to the Appellants.

Oetiker, 977 F.2d at 1445, 24 USPQ at 1444. **See also Piasecki**, 745 F.2d at 1472, 223 USPQ at 788.

The factual inquiry whether to combine references under 35 U.S.C. § 103 must "be based on objective evidence of record." **In re Lee**, 277 F.3d 1338, 13143, 61 USPQ2d 1430, 1433 (Fed. Cir. 2002). This "showing must be clear and particular." **In re Dembiczak**, 175 F.3d 994, 999, 50 USPQ2d 1614, 1617 (Fed. Cir. 1999). "In other words, the Board must explain the reasons one of ordinary skill in the art would have been motivated to select the references and combine them to render the claimed invention obvious." **In re Lee**, 277 F.3d at 1343, 61 USPQ2d at 1434 quoting **In re Fritch**, 972 F.2d 1260, 1265, 23 USPQ2d 1780, 1783 (Fed. Cir. 1992). **See also Dembiczak**, 175 F.3d at 999, 50 USPQ2d at 1617 quoting **In re Rouffet**, 149 F.3d 1350, 1359, 47 USPQ2d 1453, 1459 (Fed. Cir. 1998). "[T]he Board must not only assure that the requisite findings are made, based on evidence of record, but must also explain the reasoning by which the findings are deemed

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Upon careful review, we fail to find that the Examiner has provided requisite findings or reasons in Fernandez-Holmann for these limitations. Thereby, we will not sustain the rejection of claims 1 through 21 and 50 through 60 under 35 U.S.C. § 103.

Turning to group II, we note that claims 22, 25 through 28 and 31 through 33 stand rejected under 35 U.S.C. § 103 as being unpatentable over Fernandez-Holmann. Because the Appellant has grouped and argued these claims as one group, we will treat claims 22, 25 through 28 and 31 through 33 as standing or falling together and we will treat claim 22 as the representative claim of that group.

Appellant argues on pages 14 and 15 of the brief that the Examiner erred in the rejection of claim 22 because the claimed limitations, "in response to an otherwise unrelated transaction authoring funds transfer from a checking account" have not been identified in the prior art. Appellant argues that Fernandez-Holmann teaches that funds can be directed from a credit card to a savings vehicle but does not teach funds to be directed from a

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argues that it would have been obvious to one of ordinary skill in the art to modify the Fernandez-Holmann system to use debit cards instead of credit cards to allow transfers from a checking account to a savings vehicle to obtain Appellant's invention as recited in claim 22. See pages 38 through 40 of the Examiner's answer.

In response to the answer, Appellant does not dispute that the use of debit cards to cause electronic currency transfers from checking accounts is well known. See page 8 of the reply brief. Appellant argues that the asserted facts are not, in and of themselves, sufficient to render the claim obvious because evidence of motivation to combine the official notice with Fernandez-Holmann is lacking. See pages 8 and 9 of the reply brief.

An obviousness analysis commences with a review and consideration of all the pertinent evidence and arguments. "In reviewing the [E]xaminer's decision on appeal, the Board must necessarily weigh all the evidence and arguments." ***In re***

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conclusion." ***In re Lee***, 277 F.3d 1338, 1344, 61 USPQ2d 1430, 1434 (Fed. Cir. 2002).

The facts of the record are that there is no dispute that the debit card system was well known in the art at the time of Appellant's filing of this application. The feature of a debit card is to allow a checking account to have the convenience of a credit card. In particular, the debit card appears and functions the same as a credit card. A debit card is simply a plastic card which has a magnetic strip that has the account numbers and related banking information to allow money to be transferred directly from the debit card holder's checking account to pay for a purchase. One of the attractive features of debit cards is that it provides the same convenience as a credit card in that one does not have to write a check but instead merely has to swipe a debit card through the reader just as you would a credit card to quickly and efficiently purchase items. We find that one of ordinary skill in the art would recognize that to modify Fernandez-Holmann by substituting a debit card for the credit

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through 33 under 35 U.S.C. § 103 as being unpatentable over Fernandez-Holmann.

In regard to the rejection of claim 23 under 35 U.S.C. § 103 as being unpatentable over Fernandez-Holmann and Simpson, we note that Appellant has not made an argument to this claim.

37 CFR § 1.192(a) states:

Appellant must, within two months from the date of the notice of appeal under § 1.191 or within the time allowed for reply to the action from which the appeal was taken, if such time is later, file a brief in triplicate. The brief must be accompanied by the fee set forth in § 1.17(c) and must set forth the authorities and arguments on which [A]ppellant will rely to maintain the appeal. Any arguments or authorities not included in the brief will be refused consideration by the Board of Patent Appeals and Interferences, unless good cause is shown.

Thus, 37 CFR § 1.192 provides that only the arguments made by Appellant in the brief will be considered and that failure to make an argument constitutes a waiver on that particular point. Support for this rule has been demonstrated by our reviewing court in *In re Berger*, 279 F.3d 975, 984, 61 USPQ2d 1523, 1528-29 (Fed. Cir. 2002), wherein the Federal Circuit Court stated that

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Turning to group III, claims 34 through 46 stand rejected under 35 U.S.C. § 103 as being unpatentable over Fernandez-Holmann.

Claims 61 through 65 stand rejected under 35 U.S.C. § 103 as being unpatentable over Fernandez-Holmann and Simpson.

Claims 34 through 46 have been argued as a single group and thereby we will treat them as standing or falling together. Thereby, we will treat claim 34 as the representative claim.

Appellant argues that Fernandez-Holmann fails to teach direct funding to distinct savings vehicles having different beneficiaries in response to a single transaction as claimed. See pages 15 and 16 of the brief.

In response, the Examiner notes that Fernandez-Holmann teaches an investment account as a destination of funds provided through the use of the system and further notes that the system utilizes one or more institutions to receive these investments. The Examiner points to Fernandez-Holmann, column 4, lines 9 through 11. See pages 40 and 41 of the answer. The Examiner

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of the official notice until on appeal. The Examiner argues that this is not timely to question the official notice and cites MPEP 2144.03.

In response, Appellant argues that even taking the official notice as fact, there is no evidence of motivation or suggestion for combining the officially noted facts with the teachings of Fernandez-Holmann. See page 9 of the reply brief.

Even if the Appellant has not waived the right to object to the official notice, we fail to find anything in the record that provides any evidence that the official notice is in error. It has been well known for many many years prior to the filing date of Appellant's application to allow direct deposit of one's paycheck into a variety of accounts. These accounts can be at different institutions and they could have different beneficiaries. We find that since the Appellant has not provided any evidence to refute such official notice, we find that the Examiner has not erred in taking such.

Furthermore, having found substantial evidence of fact that

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money debited from the credit card to be transferred to a first savings vehicle and second savings vehicle having different beneficiaries because of the convenience of allowing flexible investing procedures. In particular, allowing one to use a second savings vehicle having different beneficiaries would afford one the safety and flexibility of meeting one's long-term financial objectives. Therefore, we will sustain the Examiner's rejection of claims 34 through 46 under 35 U.S.C. § 103 as being unpatentable over Fernandez-Holmann.

We note that the Appellant has not made an argument as to the rejection of claims 61 through 65 under 35 U.S.C. § 103 as being unpatentable over Fernandez-Holmann and Simpson. As pointed out above, these arguments are thereby waived. Therefore, we will sustain the rejection of these claims as well.

In conclusion, we have sustained the Examiner's rejection of claims 22, 23, 25 through 28, 31 through 46, 50 through 55 and 61 through 65. We cannot sustain the rejection of claims 1 through 21 and 56 through 60.

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No time period for taking any subsequent action in
connection with this appeal may be extended under 37 CFR
§ 1.136(a).

AFFIRMED- IN-PART

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| MICHAEL R. FLEMING |) | |
| Administrative Patent Judge |) | |
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| |) | BOARD OF PATENT |
| JOSEPH F. RUGGIERO |) | APPEALS |
| Administrative Patent Judge |) | AND |
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